THE FINANCIAL SITUATION.

I.—THE DEMOCRATIC PARTY AND THE CURRENCY.

BY THE HON. R. P. BLAND, CHAIRMAN OF THE COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES OF THE HOUSE OF REPRESENTATIVES.

FOR the first time for over thirty years the Democratic party finds itself in power in the executive and legislative departments of the Federal Government. The appalling demands upon the resources of the country to meet the enormous appropriations of money—nearly one-half of which is for pensions alone; an onerous system of taxation, and yet a depleted and bankrupted treasury; a makeshift and disjointed currency system satisfactory to no one; problems of imperialism presented in the questions of the annexation of foreign territory and peoples; all these pressing for consideration will require conservative statesmanship and patriotic endeavor to successfully meet and provide for them.

If the party is true to its principles as taught by its greatest leaders of the past, Jefferson, Madison, Jackson, and Benton, the way to success is already pointed out. This article, however, will be confined to the question of currency.

What shall it be?

History is to repeat itself.

It is only necessary to call attention to the fact that nearly all the conflicts of the past between the Democratic party and its opponents on the currency question have taken the form of a contest between the advocates of hard money (so-called)—the coin of the constitution—gold and silver, and the advocates of National-Bank credit issues. The Democratic party for the most part was in power in this government from the beginning till 1860. The first Mint Act of 1792, in conformity with the constitution, founded our system upon the principles of the dual standard of gold and silver,

with free or unlimited coinage of both. This system the Democratic party never disturbed, but on the contrary kept open mints for the coinage of both metals.

In the memorable battles over these issues in the days of Democratic ascendency the fight was waged along the lines of opposition on the part of the Democrats to national banks and in favor of the free use of gold and silver. The fact that in these discussions and in the legislation that followed, especially in the days of Benton, there was a seeming preference on the part of the Democratic party for gold, must be explained in the light of the history of the time. There was no thought of issuing paper legal-tenders to take the place of bank paper. At that time it was not generally supposed that Congress had the power to issue paper legal-tenders for private debts.

National banks were objected to by Democrats on the broad principle that the system contemplated a monopoly by private corporations over the finances—the power to expand and contract the currency, the power over legislation and the politics of the country; that such powers tended to centralization and finally to the usurpation and domination of our currency system. In the light of the present and of recent history we can see how well founded these objections were.

In order to answer all the arguments in favor of bank currency as preferable to coin, resting upon the fact that paper was lighter to handle and more convenient in all respects than coin, the ratio was changed in 1834–37, so as to overvalue gold and thus attract it here to be used in competition with bank notes. This was done by diminishing the amount of gold in the dollar; no change was made as to the silver dollar—a gold dollar being by the ratio then and now established sixteen times lighter than the silver dollar, and hence the gold eagle, or ten-dollar piece, being one hundred and sixty times per weight lighter than ten dollars of silver. Gold could better answer the use in large transactions than silver, and in that was a more effectual competitor of paper issues than silver. For this reason only, a seeming preference was given to gold. But the Democratic party in all its history never demonetized either gold or silver. Free or unlimited coinage for both was always preserved. It does not seem that the methods of issuing paper on gold and silver coin dollar for dollar was thought of by Benton, Jackson and others

in their great contests against National Banks. Our present system obviates every objection to silver on the ground of inconvenience. In this short review it is seen that the Democratic party before the late civil war was opposed to a system of currency based on National banks. The following is a quotation from General Jackson's farewell address :

"In reviewing the conflicts which have taken place between the different interests in the United States, and the policy pursued since the adoption of our present form of government, we find nothing that has produced such a deep-seated evil as the course of legislation in relation to the currency.

. . . .

"When the charter for the Bank of the United States was obtained from Congress, it perfected the scheme of the paper system, and gave to its advocates the position they had struggled to obtain from the commencement of the Federal Government down to the present hour. The distresses and sufferings inflicted on the people by the banks are some of the fruits of that policy, which is continually striving to enlarge the authority of the Federal Government beyond the limits fixed for it by the Constitution. The powers enumerated in that instrument do not confer on Congress the right to establish such a corporation as the Bank of the United States.

"It behooves you, therefore, to be watchful in your States, as well as in the Federal Government. The power which the moneyed interest can exercise when concentrated under a single head, and with our present system of currency, was sufficiently demonstrated in the struggle made by the banks of the United States. . . . The time will soon come when it will again take the field against the United States, and succeed in perfecting and perpetuating its organization, by a charter from Congress.

"The paper-money system and its natural associates, monopoly and exclusive privileges, have already struck their roots deep in the soil, and it will require all your efforts to check its further growth and to eradicate the evil. . . . It will require steady and persevering exertions on your part to rid yourselves of the iniquities and mischiefs of the paper system and to check the spirit of monopoly and other abuses which have sprung up with it, and of which it is the main support. So many interests are united to resist all reforms on this subject that you must not hope the conflict will be a short one, nor success easy."

Continuing the record of the Democratic party upon the subject of National Banks we will give the record of the most significant votes upon this subject in both houses of Congress during the existence of the present system.

The Act of February 12, 1863. The bill providing for National-Bank currency was taken up in the Senate February 12, and voted upon and passed—ayes 23 ; including 22 Republicans and 1 Democrat : nays 21 ; 12 Democrats and 9 Republicans. In the House of Representatives this bill was voted on—ayes 78 ;

75 Republicans and 3 Democrats : nays 64 ; 42 Democrats and 22 Republicans. The supplement Act of June 3, 1864, was voted on in the House of Representatives April 18, 1864. The bill passed—ayes 80, all Republicans : nays 66 ; 65 Democrats, 1 Republican. The bill to re-charter these National Banks passed the House of Representatives May 19, 1882—ayes 125 ; 103 Republicans, 22 Democrats : nays 67 ; 57 Democrats, 2 Republicans, 8 Greenbackers. The bill passed the Senate amended on June 22—ayes 34 ; 26 Republicans, 8 Democrats : nays 13 ; 12 Democrats, 1 Republican. The Conference Report by which the bill passed and became a law was voted on in the House on July 10, 1882—ayes 110, 99 Republicans and 11 Democrats : nays 79 ; 69 Democrats, 2 Republicans, 8 Greenbackers.

This record shows conclusively that a large majority of the Democrats in the House and in the Senate have up to this period steadily opposed the national-banking system. It is to be presumed they will continue to do so. It must be plain that there can be no legislation by the Democratic party favorable to a currency supplied by any national-banking system. It is important, therefore, to review the recent record of the party looking to other methods of monetary supply. That the party has made a uniform record in favor of treasury notes in preference to National-Bank currency is shown also by many votes in the House and Senate.

In the House of Representatives, January 17, 1870, Mr. McNeely offered a resolution providing for the substitution of treasury notes or greenbacks for bank notes. On this question the yeas were 56 ; 53 Democrats and 3 Republicans : nays 114 ; 112 Republicans and 2 Democrats. Substantially the same question came up in the House of Representatives on motion of Mr. Randall, of Pennsylvania, July 14, 1870. On this vote the yeas were 51; 41 Democrats, 10 Republicans : nays 111 ; 105 Republicans, 6 Democrats.

Pending the consideration of the bill to re-charter the National Banks the author hereof moved amendments, the effect of which was to substitute treasury notes for bank notes, and to prohibit further issuance of bank notes. On this question the ayes were 71 ; 65 Democrats, 2 Republicans and 4 Independents : nays 138 ; 114 Republicans, 19 Democrats, 5 Greenbackers or Independents.*

*See House Journal, Forty-seventh Congress, pp. 1274-1281.

These citations are given to show that as choice between national bank and treasury notes the Democratic sentiment is overwhelming for the latter. On the question of restoring silver to our coinage the record is also significant in this connection. The Act for the free coinage of silver was passed in the House December 13, 1876—ayes 168; 124 Democrats, 44 Republicans: nays 53; 17 Democrats and 36 Republicans. There was no action on this bill in the Senate.

In the House, November 5, 1877, the following proceedings took place.* The Speaker announced as the regular order of business the motion of Mr. Bland, that the rules be suspended so as to enable him to introduce, and the House to pass, a bill of the following title, viz.: "A bill (H. R. 1,093) to authorize the coinage of a dollar of 412½ grains silver standard, and for other purposes," pending when the House adjourned on Monday last, and the question being put, it was decided in the affirmative (two-thirds voting in favor thereof)—yeas 164; 97 Democrats and 67 Republicans; nays 34; 10 Democrats and 24 Republicans. This bill was amended in the Senate by what is known as the Allison amendment, and thus passed the Senate—yeas 48; 25 Democrats, 23 Republicans: nays 21; 7 Democrats and 14 Republicans. This bill, as it passed the Senate, was agreed to by the House and was vetoed by President Hayes. It was passed over the veto in the House February 28, 1878—yeas 196; 122 Democrats, 74 Republicans: nays 73; 21 Democrats and 52 Republicans. It was also passed in the Senate on the same date, the veto notwithstanding—yeas 46; 25 Democrats and 21 Republicans: nays 19; 9 Democrats and 10 Republicans.

During the first session of the Fifty-first Congress, on motion to pass the Sherman bullion purchase bill, a motion was made by the writer to re-commit the bill with instructions to report back a bill for the free coinage of silver.† On this vote there were—yeas 116; 101 Democrats and 14 Republicans, 1 Wheeler: nays 140; 127 Republicans and 13 Democrats. The most recent vote on this question was at the first session of the Fifty-second Congress. In the House on March 17, 1892, on a motion to table the free-coinage bill the yeas were 148; 81 Democrats and 67 Republicans: nays 149; 130 Democrats, 11 Republicans, 8 People's

* Journal, first session (extra session) Forty-fifth Congress, pp. 143, 144.
† House Journal, first session Fifty-first Congress, pp. 714, 715.

Party. These records are produced to show the evident tendency of the Democratic party away from the plan of National-Bank currency to the currency supported by the precious metals, gold and silver.

Senator Benton, of Missouri, in his "Thirty Years in the United States Senate," stated what he then conceived to be the true Democratic theory of the currency question in the following terse and eloquent language (Vol. 1, page 187) :

I am willing to see the charter expire, without providing any substitute for the present bank. I am willing to see the currency of the federal government left to the hard money mentioned and intended in the Constitution. I am willing to have a hard-money government, as that of France has been since the time of *assignats* and *mandats*. Every species of paper might be left to the State authorities, unrecognized by the federal government, and only touched by it for its own convenience when equivalent to gold and silver. Such a currency filled France with the precious metals, when England, with her overgrown bank, was a prey to all the evils of unconvertible paper.

It furnished money enough for the imperial government when the population of the empire was three times more numerous, and the expense of government twelve times greater, than the population and expenses of the United States; and when France possessed no mines of gold or silver, and was destitute of the exports which command the species of other countries. The United States possess gold mines now yielding half a million per annum, with every prospect of equalling those of Peru. But this is not the best dependence. We have what is superior to mines, namely, the exports which command the money of the world; that is to say, the food which sustains life, and the raw material which sustains manufactures.

Gold and silver is the best currency for a republic; it suits the men of middle property and the working people best; and if I was going to establish a workingman's party it should be on the basis of hard money; a hard money party against a paper party.

In the days of Benton and Jackson, as well as now, there were many influential Democrats whose sympathies were with the National-Bank party, and who were ready to discard the money of the people issued from the mints of the government and the notes of the Treasury, based on coin, for National-Bank paper isued by the hand of monopoly. But now, as then, a large majority of the party are materially opposed to the principle of financial control by such means. They are not disposed to see the money of the Constitution subverted and the credit of individuals and corporations substituted. It must be apparent to all close observers of current popular sentiment that any currency system which presupposes a permanent interest-bearing debt will not be tolerated by our people.

A permanent public debt saddled with the power to be used to control and manipulate Congressional legislation upon the financial question is contrary to the genius of our institutions, and as Mr. Benton well said, "is not suited for a republic." Mr. Seligman, a New York banker, in his testimony before the Congressional Committee investigating the Panama Canal scandal in this country as well as France, made it plain how the argus eyes of the thousands of banks of issue in this country, focussed on the Congress through the means of a subsidized press and telegraph, might be brought to bear to create public apprehensions and thus terrorize Congress to do their corrupt bidding. We want no dictation from this quarter, nor any such copartnership in our financial system.

If the Democratic party is true to its teachings and present tendencies it will, in time, restore the country where the Constitution and the Fathers put it, that is, the right to the free use of both precious metals as money, and bank paper to be relegated where it belongs, viz., the various States. This will decentralize our present system. It will take from National Banks the power to control Congress in the interests of monetary and political centralization—a centralization that means legislation for the rich and powerful banks and the consequent degradation of the States and impoverishment of the people. We are fast entering upon an era in our history when these issues must be met and fought out, as they were met and settled in the days of Jackson and Benton.

It would be well for the Democratic party and for the country could the questions of taxation and reduction of pensions, as well as a reduction of expenditures all along the line, be settled before entering the bitter struggle over the money question. The money question must, however, be met sometime. When it is forced as the issue it may develop a necessity for a reorganization of political parties. The battle of the standards is the coming battle the world over, when it is pushed to the front for final settlement—the question as to whether silver shall be placed at its old status as the equal, if not the superior, of gold in our financial system, or totally demonetized. It will be a battle royal.

The time is not to be long deferred when this battle of the standards will be fought to a finish. On the one side will be arrayed the rich and powerful banks of the Old World and of the

New; on the other, the mass of our people, especially those west of the Allegheny Mountains, loaded down as they are with debts and mortgages, with a vast country yet to be touched by the hand of industry and enterprize, demanding money without limit except as to its supply from nature.

The money question when brought forward for final solution must of necessity involve the question of the standard; whether it shall be a standard resting upon both metals, gold and silver, or the single standard of gold. Compromises and makeshifts have heretofore only checked the fighting. When pressed forward, as it seems may be done ahead of tariff, and all other reforms promised by the Democratic party, the peril of defeat for tariff reductions, pension reforms, and other reforms in our expenditures is great. It may be that those who wish to postpone and defeat tariff reform are more than willing to press other great measures ahead of it. The Democratic party will make a great mistake if such should be the policy adopted.

It is difficult to see how any more compromises can be had on the question of the currency; especially will it be difficult to reconcile the conflict between the demand for total demonetization of silver and its unconditional restoration. When the question is again pressed forward it is difficult to see how there can be any other solution—the total abandonment of silver or its restoration to its constitutional privileges at our mints. The special plea to await the concurrence of other nations can no longer be entertained. The last international conference at Brussels developed the fact that there is no probability of any agreement on this question.

The time has come when our sixty-five or seventy millions of people must act independently. No limping or stilted standard such as we now have can long survive. Silver is either a safe money metal or it is not. If it is not suitable for free coinage it ought not to be further coined. If it is suitable for coinage at all it ought not to be debased by limiting its coinage.

It is fair to assume that the Democratic party will still oppose National Banks, that this party will not tolerate the increase and manipulation of the public debt for the purpose of turning over or farming out our system of money to banks of issue. If so the logical result is to look to silver and gold to take the place of bank issues. Gold is not sufficient to answer this purpose, hence

silver must and will continue to constitute our supply to meet the great demands made for money by our vastly increasing business and population.

What safer system can be devised than that of gold and silver freely coined, with the coin note issue in the metal as a basis, dollar for dollar? There can be none. As to the ratio or relative amount of the metals that shall be equal in debt-paying power, that is now, as it always has been, a question under the Constitution for Congress to determine.

It is possible that a compromise may again be effected by the amendment or repeal of the Sherman law and the substitution of a system that would coin all silver bullion coming into the hands of the government, basing all notes on the silver dollar, without the gold redemption clause, as in the Act of 1878, known as the Bland-Allison Act, with increase of the minimum amount authorized to be coined by that Act. But the difficulties in the way of this are many, for the opponents of silver would probably oppose it, and no true friend of silver could counsel anything less as a substitute for the present law, defective though it confessedly is.

R. P. BLAND.

II.—THE BRUSSELS CONFERENCE REVIEWED.

BY THE HON. CHARLES FOSTER, EX-SECRETARY OF THE TREASURY.

IT IS not my purpose to formulate any proposition for the United States that in my opinion ought to be proposed to the adjourned meeting of the International Monetary Conference when it reassembles in Brussels in May next, or to express an opinion as to the probable result of such meeting, but to present in a brief form the reasons actuating the President and the Secretary of the Treasury in calling the Conference, the steps taken to secure the coöperation of the different governments, a synopsis of the proceedings, and the impressions to be gathered therefrom. From these *data* your readers can form their own judgment as to what may be accomplished at the reassembling of the Conference.

Foreseeing the inevitable result to this country if its present silver policy was to be pursued, and being firm believers in the use of both gold and silver as money metals, the

President and the Secretary of the Treasury felt that every effort within their power should be used to restore silver to its former use as money among the nations.

A brief history of the Latin Union and of former monetary conferences is thought not to be out of place here.

The Latin Union was formed on the 23d of December, 1865, by a convention signed by France, Italy, Switzerland, and Belgium, to which Greece became a party a few years later. The chief incentive that led to its formation was a desire to provide for those countries a uniform metallic currency, in order to prevent the exportation from them of their silver coins,—an exportation which had begun as early as 1850, in consequence of the change in the relative commercial value of the precious metals, caused by the unprecedented production of gold in California and Australasia, and the resulting substitution of gold for silver in their monetary systems.

Previous to the foundation of the Union there had existed, *de facto*, a monetary agreement among the four states originally constituting it, as Italy, Belgium, and Switzerland had adopted the French monetary régime created by the law of April 6, 1803, the unit of which was the silver franc, and which granted legal currency to gold at the coinage ratio to silver of 1 to 15½. The contracting states preserved the double standard, but accorded the charater of legal-tender to the five-franc silver piece only. They stipulated that all silver pieces of less value than the five-franc piece should be limited trade. Each of the states agreed to receive into its treasuries the coins stamped by the others, without limitation as to value in the case of gold coins and five-franc silver pieces, and to the amount of 100 francs in case of other silver pieces in any one payment. The latter were to be legal-tender, in the country that issued them, to the amount of 50 francs between individuals, and to be redeemed, by the issuing country, in gold. Their coinage was reserved to the states, respectively, and was restricted to six francs per capita.

By special conventions in 1874, 1875, 1876, and 1878, the Union first limited and then suspended the coinage of the five-franc silver pieces.

The Convention of 1865 was concluded for fifteen years. It was renewed in 1878 for five years, and again, in 1885, for a like period. It is still in force, by virtue of tacit renewal from year

to year. By the terms of the Convention of 1885, the suspension of the coinage of full legal-tender silver is continued, while gold coins and five-franc silver pieces continue to have unlimited debt-paying power.

So much for the Latin Union. Now as to the International Monetary Conferences which preceded that of 1892:

The first International Monetary Conference—that of 1867—met in Paris on the 17th of June of that year, at the invitation of the French Government. It was called "to consider the question of uniformity of coinage and to seek for the basis of ulterior negotiations." Twenty countries were represented at it. It failed to come to any agreement as to the means of realizing the object for which it had been called, and adjourned on July 6, after holding seven sessions, at the last of which it was voted to refer its decisions to the several states for diplomatic action, and to invite them to transmit their answers to the French Government before February 16, 1868. This Conference did not meet again.

The next International Monetary Conference was that of 1878. It was called by the President of the United States, who, by the Act of February 28, 1878, was authorized "to invite the governments of Europe to join in a conference to adopt a common ratio between gold and silver for the purpose of establishing internationally the use of bimetallic money, and securing fixity of the relative value between those metals." The Conference met in Paris on August 16, 1878. Twelve countries were represented at it. In the sixth session, Mr. Say, the President, declared in the name of the European delegates that they recognized: *First,* That it was necessary to maintain in the world the monetary functions of silver as well as of gold, but that the selection of the one or the other, or of both simultaneously, should be governed by the special situation of each State or group of States. *Second,* That the question of the limitation of the coinage of silver should likewise be left to the discretion of each state or group of states. *Third,* That the differences of opinion which had appeared excluded the adoption of a common ratio between the two metals. From this declaration, the representatives of the United States expressed their dissent.

The Conference of 1881 was called in January of that year, by the Governments of France and the United States, "to examine

and adopt, for the purpose of submitting the same to the governments represented, a plan and a system for the establishment, by means of an international agreement, of the use of gold and silver as bimetallic money, according to a settled relative value between those metals." It met in Paris, April 19. Nineteen countries were represented. It held thirteen sessions, at the last of which the President, Mr. Magnin, Minister of Finance of the French Republic, read a resolution saying that, in view of the speeches and observations of the delegates of the several governments, there was ground for believing that an understanding might be established between the states which had taken part in the Conference, but that it was expedient to suspend its meetings; that the monetary situation of some States might call for governmental action; that there was reason for giving an opportunity for diplomatic negotiations; and that therefore the Conference would adjourn to April 12, 1882.

This resolution was adopted. The Conference adjourned, but was not convened again.

The International Monetary Conference that assembled in Paris during the French Exposition, in October, 1889, had no official character. Its members, however, failed to agree on any solution of the silver question.

Early in the year 1891 the Government of the United States took the initiatory steps toward calling another international conference. A correspondence was opened with certain well-known Americans of recognized position and financial knowledge and standing, temporarily residing in Europe, with a view to ascertaining the views of prominent officials of foreign governments on this subject, and the willingness of the leading nations to confer on the subject. Early in the negotiations it became apparent that all the European governments were inclined to favor the Conference if an agreement could be reached with Great Britain. Happily it was found that Lord Salisbury's government felt favorably disposed to the calling of a conference.

At this point the subject was taken up officially by the State Department, and through our Minister at London, Mr. Robert Lincoln, Great Britain agreed to join in the Conference. President Harrison couched the invitation in the very general terms agreed upon with Great Britain. In the language of our Chief Magistrate, they were asked to send delegates "to consider by

what means, if any, the use of silver can be increased in the currency systems of the nations." The invitation was accepted by all the states invited, twenty in number, and the Conference, after several delays, caused by circumstances not necessary to mention here, met at Brussels on the 22d of last November, all the delegates being present at the opening of the Conference.

It will be noticed that the date of the meeting of the Conference was after the Presidential election. A President representing the opposite political party was to succeed President Harrison, upon whose invitation the Conference had been called. The attitude of the incoming administration upon the great question with which the Conference was to deal could not then be known. Not only had a change of administration been decreed in this country, but an actual change of administration had taken place in Great Britain since the Conference was agreed upon—a change there from an administration favoring bimetallism or the enlarged use of silver to one strongly in favor of a single gold standard. The change of administration in this country was a source of embarrassment in the matter of preparing the instructions to our delegates, and to the delegates themselves during the deliberations of the Conference.

The substance of the instructions to our delegates is here given:

"It is the opinion of the President, and, as he believes, of the people of the United States, with a singular unanimity, that a full use of silver as a coined metal, at a ratio to gold to be fixed by an agreement between the great commercial nations the world, would very highly promote the prosperity of all the people of all the countries of the world. For this reason your first and most important duty will be to secure, if possible, an agreement among the chief commercial countries of the world looking to international bimetallism; that is, the unlimited coinage of gold and silver into money of full debt-paying power at a fixed ratio in coinage common to all the agreeing powers.

"You should not lose sight of the fact that no arrangement will be acceptable to the people or satisfactory to the Government of the United States which would by any possibility place this country on a silver basis while European countries maintain the single gold standard.

"Failing to secure international bimetallism, the next important duty will be to secure, if possible, some action upon the part of European countries looking to a larger use of silver as currency in order to put an end to the further depreciation of that metal."

It was suggested to the delegates before leaving the United States that, in view of the change of administration, failing to

secure an agreement at the Conference, an effort should be made to take a recess to such date as would give the incoming administration an opportunity for full consideration of the subject.

The importance of the Conference, and the desire to reach a satisfactory solution, is evidenced by the opening remarks of the Prime Minister of Belgium :

> "The Conference in which you are called upon to take part has for its object the consideration of the most serious, complex and arduous problem which is presented to modern society.
>
> "It (money) affects all economic and social interests, it affects the commerce of the world, and is the real reason of more than one unexplained crisis."

M. Montefiore Levi, the distinguished Belgian Senator who presided over the Conference, also strongly emphasized the importance of the subject :

> "The depreciation of silver so far as it serves as a monetary standard finds an echo throughout the social organism.
>
> "But the principal evil of the present situation lies in the instability that flows from it.
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> * * * * * * * * * * * *
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> "Whatever may be the result of your deliberations, one may surely affirm that, convinced of the considerable influence which the solution of a question so complex as that submitted to you may have upon the progress of universal civilization, you will have it at heart to investigate the possibility of remedying the condition of affairs of which none mistake the gravity."

At the commencement of the sessions the United States presented the following resolution :

> "That in the opinion of this Conference it is desirable that some measure should be formed for increasing the use of silver in the currency systems of the nations."

Declarations favorable to the resolution were made by the delegates from Great Britain and by the delegates from other countries who spoke, but the resolution was not put to a formal vote.

In addition to the above resolution the delegates from the United States presented for the consideration of the Conference a statement of their views in regard to the silver question and recommended the adoption of International bimetallism as follows :

1. Unrestricted coinage of both gold and silver into money of full debt-paying power.
2. Fixing the ratio in coinage between the two metals.

They also submitted proposals looking to the retirement of small gold coins and small paper money redeemable in gold, at the same time cordially inviting proposals from other delegates and that they be given precedence.

Mr. Alfred de Rothschild, one of the English delegates, presented a proposition for the purchase of silver by Europe, in the following language:

"The American Government are purchasers of silver to the extent of 54 millions of ounces yearly, and I would suggest that, on condition these purchases were continued, the different European Powers should combine to make certain yearly purchases, say to the extent of about £5,000,000 sterling annually, such purchases to be continued over a period of five years at a price not exceeding 43 pence per ounce standard, but if silver should rise above that price the purchases for the time being to be immediately suspended.

"Gentlemen, I need hardly remind you that the stock of silver in the world is estimated at some thousands of millions, and if this Conference were to break up without arriving at any definite result there would be a depreciation in the value of that commodity which it would be frightful to contemplate, and out of which a monetary panic would ensue, the far-spreading effects of which it would be impossible to foretell."

Many other plans for the enlarged use of silver as money were presented by distinguished delegates, all of which, except the general plan of bimetallism presented by the United States, were referred to a committee of thirteen delegates for examination and report. The committee made two elaborate reports, and while reporting affirmatively on only one proposition, viz., the retirement of small gold coins and paper money, they were unanimously of the opinion that both this proposition and the De Rothschild purchase plan, as modified by M. de Osma, of Spain, should be brought before the Conference for discussion.

The attitude of the various governments towards the proposals, as disclosed by the utterances of the delegates, was substantially as follows:

The representatives of Great Britain, Germany, Austria-Hungary, the Scandinavian countries, Turkey, and Portugal, while favoring the gold standard, expressed themselves as willing to carefully consider any plan which might be proposed by leading commercial nations. The Netherlands, Spain, Mexico, and the United

States favored international bimetallism. The states of the Latin Union, upon whose attitude to a large extent the situation turned, speaking through M. Tirard, the present French Minister of Finance, declared that owing to the fact that they were already saturated with silver currency they could not favor the adoption of bimetallism unless Great Britain, Germany and the other monometallic powers of Europe would also adopt it. At the same time M. Tirard, speaking of the Latin Union, said :

"I do not know yet what will come out of the Conference and to what practical result it may lead, but this much is certain, our labors will not in any case be fruitless."

After a full discussion of the monetary situation and the attitude of the various governments had been revealed, the sentiment seemed to be general that a long recess should be taken to enable the delegates to confer with their respective governments. This was proposed by Baron de Renzis (Italian delegate), and ably seconded by M. de Osma (delegate from Spain). The latter said :

"There has always been in our discussions a certain dominant and unmistakable character which is supported by the evidence of attitude more eloquently than words, viz.: The presence of a general good will inspired by the existence of a crisis generally felt, but with different degrees of intensity. Whatever personal sympathies we may feel, we must admit that very few of us have been able to agree with the stoic opinion which denies the existence of a crisis and concludes very logically that there is no need of looking for a remedy."

The President in closing the Conference said :

"At the moment when we suspend our labors we carry with us, I regret to say, the very general impression of an uneasiness which calls for a remedy : but we cherish at the same time the hope that palliatives, or possibly a combination of palliatives, may perhaps be found to conjure the evil by the aid of an international agreement or understanding. We have, finally, I venture to assert, a lively and sincere desire to come together again, with the conviction that we shall be better equipped to reach a successful result than when we began our labors."

The financial disaster which may ensue in case of a failure of the leading nations to come to an understanding on this subject is evidenced by the utterances generally of the delegates, and in this respect attention is especially called to the extract from the remarks of the English delegate, being a member of the great banking house of De Rothschild.

CHARLES FOSTER.